

VERIZON SERVICE QUALITY

Case 24-C-0179

Summary

In December 2010, the Commission approved a streamlined framework for service quality reporting by Verizon New York Inc. (Verizon or the Company) referred to as the Service Quality Improvement Plan (SQIP).¹ Although subject to all Commission Telephone Service Standards² (Service Standards), the SQIP allows Verizon to report on a limited number of service quality metrics and allows for a streamlined assessment of penalties for failures on a subset of those metrics for Verizon's "Core" customers. Core customers are defined as customers who lack wireline alternatives to Verizon (i.e., "white spot" customers), low-income customers who subscribe to Lifeline service, or customers who have special needs (e.g., those who are elderly, blind, disabled, or who have other special conditions). The SQIP began in January 2011. This is the 54th report on Verizon's performance under the SQIP that details the Company's results for the second quarter of 2024.

During the second quarter of 2024, Verizon met all timeliness-of-repair requirements, the Repair Call Center Answer Time metric, and the Company-wide Customer Trouble Report Rate (CTRR) metric in all three months of the quarter. The Company reported 18 Service Inquiry Reports (SIRs)³ during the second quarter of 2024, which is nine more than the number of SIRs reported during the same period last year. Finally, although not

¹ Case 10-C-0202, Verizon Service Quality Improvement Plan, Order Adopting Verizon New York Inc.'s Revised Service Quality Improvement Plan with Modifications (issued December 17, 2010).

² 16 NYCRR Part 603 Service Standards Applicable to Telephone Corporations.

³ SIRs identify specific reporting entities (e.g., central office switches, answer bureau, geographic areas) where improvements are required, detail the reasons for poor performance, describe the corrective action being taken, and identify an expected improvement date. Pursuant to 16 NYCRR §603.4, SIRs must be reported whenever an entity's performance on a given service standard metric is not at or better than the threshold of that metric for the current month and any two of the previous four months.

part of the Commission's Service Standards, Verizon met the Commission's PSC Complaint rate target in all three months of the quarter.

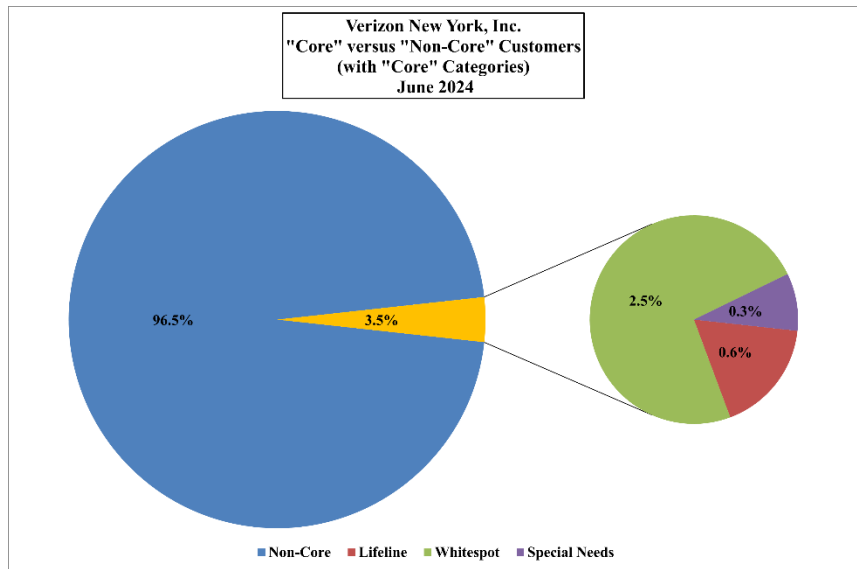
Background

Verizon is the largest incumbent local exchange carrier (ILEC) in New York State serving approximately 1.04 million voice-only access lines across all its central office switches. Although Verizon remains New York's largest ILEC, as with most ILECs, its customer base is declining. Verizon currently serves approximately 29% of the access lines it served ten years ago. For the twelve-month period ended June 30, 2024, Verizon lost approximately 124,000 (or 10.6%) of its voice-only access lines.

The Commission's Service Standards require all local exchange carriers to report CTRR data. Carriers with more than 500,000 access lines are required to report on eight other service quality metrics, addressing such things as timeliness of repairs and installations, the responsiveness of customer call centers, and network call completion performance, etc. For many years Verizon reported on all service quality metrics required in the Service Standards. However, in 2010 the Commission approved the Verizon SQIP to streamline service quality reporting in recognition of the competition faced by Verizon. Although it is still required to measure, collect, and retain the data necessary to calculate its performance on all metrics in the Service Standards, the SQIP requires Verizon to report on only a subset of those metrics, i.e., CTRR, timeliness-of-repair, and repair call center answer time. The SQIP further streamlined Verizon's reporting by requiring timeliness-of-repair metrics to be reported at a regional⁴ level (instead of at the Repair Service Bureau level previously required), and for Core customers only. In addition, the SQIP outlines a streamlined process by which penalties may be assessed for missing the timeliness-of-repair metrics for Core customers.

⁴ The Company geographically divides New York State into five regions: New York City, Long Island, Mid-state, Upstate South, and Upstate North.

The Commission adopted the SQIP based on the underlying premise that the service standards should focus on customers who either lack competitive choices, subscribe to Lifeline service, or who have other special needs and are therefore more reliant on regulatory protections.



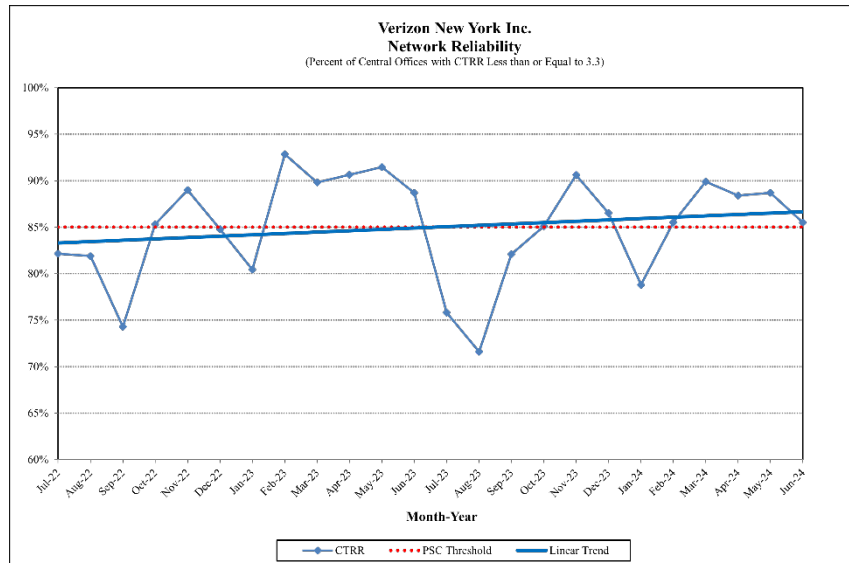
The accompanying graph demonstrates that as of June 30, 2024, approximately 36,000 or 3.5% of Verizon's total access lines, were Core customers. In January 2011, when the SQIP began, there were approximately 390,000 Core customers.

Discussion

This report summarizes Verizon's performance for the second quarter of 2024 in the areas of Network Reliability, Service Inquiry Reports, Repair Performance, and Answer Time Performance. In addition, this report discusses Major Outages, Special Services' performance, and consumer complaints to the Department.

Network Reliability

The frequency of network problems is indicative of the reliability of the network. The Commission measures network reliability with two CTRR metrics which measure both Company-wide and individual central office entity (COE) performance. With regard to Company-wide CTRR performance, the

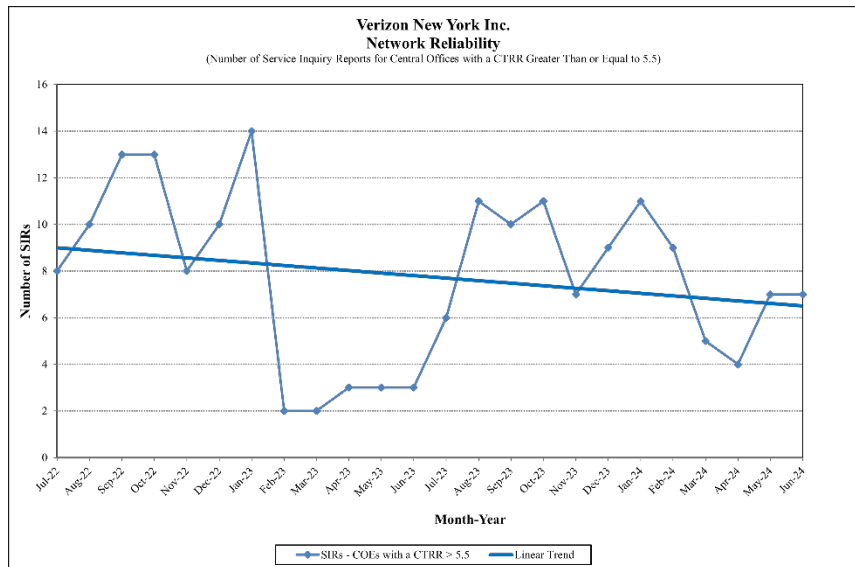


Service Standards require that at least 85% of Verizon’s COEs achieve a CTRR at or below 3.3 customer trouble reports per hundred access lines (RPHL) per month. As shown in the accompanying graph, Verizon’s performance was above the 85% threshold in all three months of the quarter; the trendline indicates an overall improvement in the Company-wide CTRR metric. Verizon has met this threshold in fifteen months out of the most recent twenty-four months.

For individual COE performance, the Service Standards require that each COE achieve a CTRR of 5.5 or less RPHL per month. During the second quarter of 2024, a monthly average of 15 COEs, approximately 4.3% of Verizon’s COEs, missed this threshold. The COEs that tend to fail this metric are usually small, primarily use copper cable, and generally serve areas that are more rural or have seasonal populations.

Service Inquiry Reports

The Service Standards require that a Service Inquiry Report (SIR) be filed when an entity's performance on a given metric is not at or better than the performance threshold for that metric during the current month and any two of the previous four months. SIRs identify specific



entities where improvements are needed, detail the reasons for poor performance, describe the corrective actions taken, and identify an expected improvement date. During the second quarter of 2024, Verizon reported 18 SIRs related to individual COEs exceeding the standard of 5.5 RPHL per month, which is nine more than the number of SIRs reported during the same period last year. However, the accompanying graph shows an improving trend in the number of SIRs related to individual COE performance. Verizon did not report any Company-wide CTRR service standard SIR in the second quarter of 2024. During the same period last year there were also no Company-wide CTRR SIRs.

In the submitted SIRs,⁵ Verizon states that it employs a "Proactive Cable Maintenance" program that focuses on cables and COEs that have experienced high outside plant trouble report rates. Although this program and associated corrective actions are similar to those used by the Company in the past, they have not typically resulted in sustained improvement in these metrics. The Company states that it deploys additional resources to restore services to customers and conducts conference calls with cable maintenance and repair operations to coordinate joint responses to problems as they arise. In addition, the Company is extending new broadband infrastructure in several areas of the State and continues its Network Transformation program, converting legacy

⁵ The SIRs are filed in Cases 03-C-0971 and 00-C-1945.

copper network to fiber in various wire centers. Taken together, these efforts are expected to result in an improvement in CTRR performance and a reduction in related SIRs.

Repair Performance

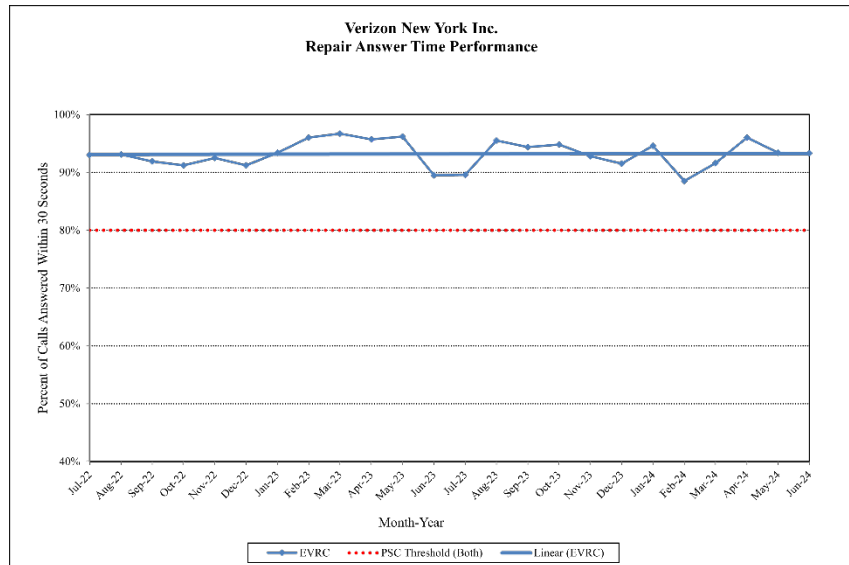
The Commission gauges Verizon’s timeliness-of-repair performance with two maintenance metrics, the Percent of Out-Of-Service Customer Trouble Reports Not Cleared within 24 Hours (OOS>24) and the Percent of Service-Affecting Customer Trouble Reports Not Cleared within 48 Hours (SA>48). Out-of-service troubles occur when customers cannot make or receive telephone calls, while service-affecting troubles include noise or static on the line, crosstalk, false ring, etc. For both metrics, the monthly performance threshold is 20% or less.

Under the SQIP, Verizon reports its performance on these two metrics for Core customers in five operating regions: New York City, Long Island, Mid-State, Upstate South, and Upstate North. As shown in the following table, all regions met the performance threshold for Core customers for both metrics in each month of the second quarter of 2024.

"CORE" PERFORMANCE	April 2024		May 2024		June 2024	
	%OOS>24	%SA>48	%OOS>24	%SA>48	%OOS>24	%SA>48
NEW YORK CITY	15.32	5.88	13.45	6.45	17.31	12.50
LONG ISLAND	10.34	0.00	7.41	6.67	13.04	0.00
MID-STATE	10.34	0.00	4.76	0.00	4.35	0.00
UPSTATE SOUTH	10.29	4.08	10.28	12.43	13.42	6.16
UPSTATE NORTH	9.39	8.05	8.91	12.12	16.30	16.98

Repair Answer Time Performance

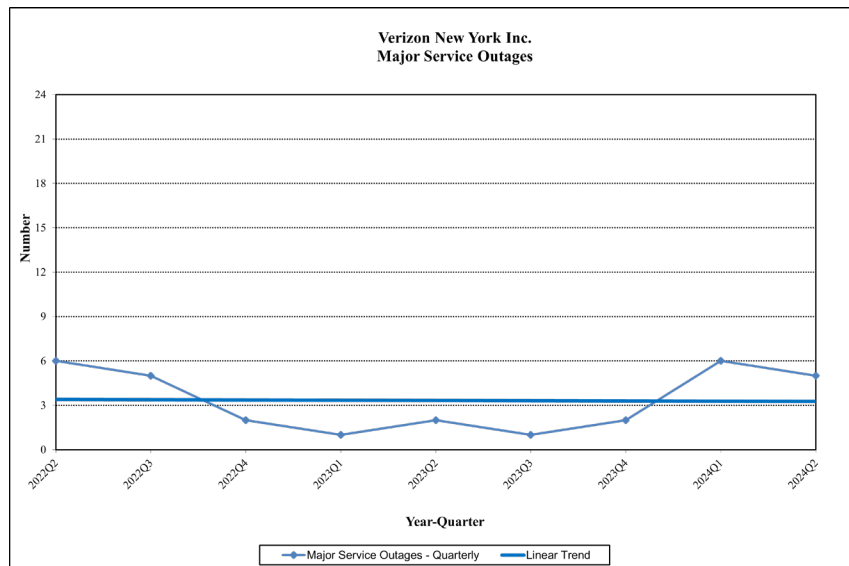
The Service Standards specify that each month, 80% or more of the calls to an answer center should be answered within 30 seconds. The accompanying graph illustrates very satisfactory monthly performance with regard to answer time for the Company's repair service call center, (the Enhanced Verizon



Resolution Center or EVRC), during the last 24 months. The EVRC met the 80% answer time threshold in all three months of the second quarter of 2024.

Major Outages

Adherence to the Service Standards helps sustain reliable and resilient networks and potentially mitigates or prevents major outages. When a major outage does impact a carrier's network, that carrier is required to report to Department Staff the details regarding the



outage. Department Staff monitors network outages and investigates outage events with Verizon and other service providers on a routine basis. Verizon reported five major outages in the second quarter of 2024, which is three more than the number of major outages reported during the same period last year. As

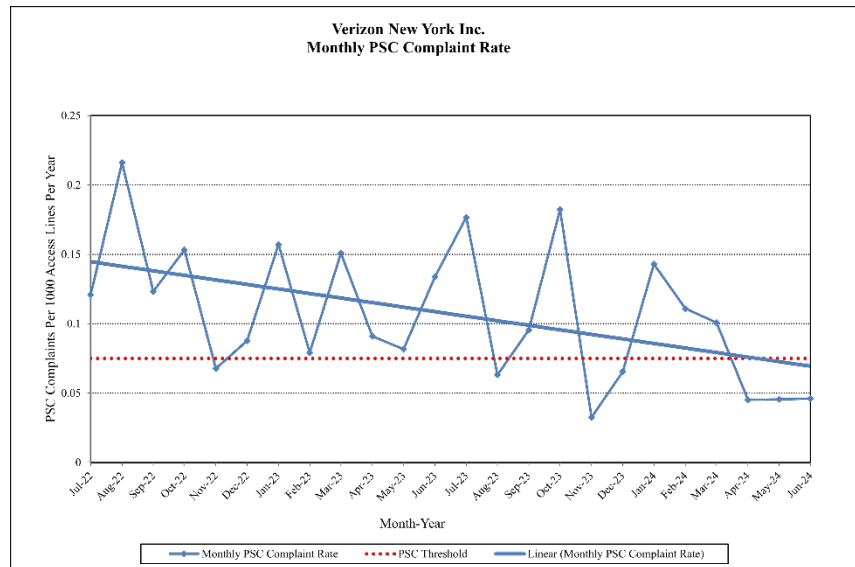
shown on the accompanying graph, the absolute number of outages remains small and the trend over the past two years has not changed.

Special Services

Department Staff tracks the service quality performance of the Company’s Special Services under the Commission’s Special Services’ Guidelines. The specific data submitted is proprietary and addresses non-basic services, i.e., services provided primarily to business customers or other service providers, generally on a wholesale basis, and usually on circuits that require special engineering (e.g., high-speed data circuits). Verizon met the established thresholds for most of the special services metrics during the second quarter of 2024.

Complaints

While customer complaints to the Department are not part of the Service Standards, they serve as an additional measure of service quality, independent from performance reported by the carriers under the Service Standards. As shown on the accompanying graph, Verizon met the PSC Complaint rate



guideline (i.e., an annualized rate of 0.075 complaints per 1,000 access lines) in all months of the quarter. Verizon’s PSC Complaint performance indicates an improving trend over the last 24 months.

Conclusion

The Commission’s approval of Verizon’s SQIP in December 2010 established a streamlined reporting framework and process for assessing penalties to enforce timeliness-of-repair metrics for Verizon’s Core customers, who currently account for

approximately 3.5% of its overall customer base. During the second quarter of 2024, Verizon met all timeliness-of-repair performance thresholds, the repair answer time service standard, and the Company-wide CTRR metric in all three months of the quarter. Regarding the individual COE CTRR service standard, a monthly average of approximately 4.3% of Verizon's COEs missed this threshold in the second quarter of 2024. The total number of both Company-wide and individual COE SIRs reported during the second quarter of 2024 was 18, which is nine more than the number of SIRs reported during the same period last year. Although not part of the Commission's Service Standards, Verizon met the Commission's PSC Complaint rate target in all three months of the quarter.